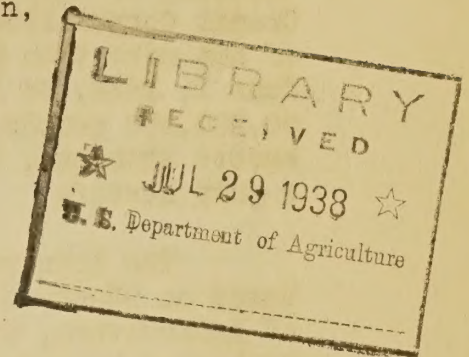


1.94
D 14 ap new no.
C1

DAIRY PRODUCTS MARKETING ASSOCIATION, INC.

Application for a Loan
from the Commodity Credit Corporation,
Articles of Incorporation,
and By-Laws of the Association.



Dairy Section
Agricultural Adjustment Administration
United States Department of Agriculture
July 12, 1938.

APPLICATION FOR LOAN

The Dairy Products Marketing Association, Inc., (hereinafter called the applicant), a corporation organized and existing under the laws of the State of Delaware and having its principal place of business at Chicago, Illinois, hereby applies to the Commodity Credit Corporation (hereinafter called the Corporation) for a loan of not more than \$14,500,000, principal amount, during the period June 1, 1938, to April 30, 1939, on a volume of butter not to exceed 50,000,000 pounds, to be evidenced by a note or notes in the form hereto attached, the terms of which are incorporated herein and made a part hereof.

The loan rate shall not exceed 75 percent of the parity price, based on 92-score butter at Chicago, as determined by the Secretary of Agriculture, with differentials between grades and markets as established by paragraph one of exhibit E, plus an advance of 0.75 cent per pound at time of purchase, plus an advance of 0.25 cent per pound each month thereafter as long as the butter is held in storage, plus an advance of 0.25 cent per pound at time of sale on all butter sold through regular commercial channels. Such loan shall be secured by the collateral as set out herein.

The loan is desired for the purpose of entering into a program for the purchase and sale of butter.

To induce the Corporation to make the loan, the applicant warrants, represents, and agrees as follows:

(1) Except as stated herein, the applicant will have good title to all collateral and its interests therein will not be affected by any outstanding equity, trust, contract, set-off claim, incumbrance, or liability of any nature, whether fixed or contingent.

(2) All collateral shall be security for all the indebtedness to the full extent permitted by law.

(3) All butter purchased by the applicant shall immediately become collateral for the loan and shall be stored in such place and in such manner as is agreeable to the Corporation and the Secretary of Agriculture, or his authorized agent.

(4) The applicant shall not sell, lease, transfer, or pledge its interests, or any part thereof, in any of the collateral, or make any agreement therefor, except at prices to the regular trade as set forth in exhibit E hereof. Sales to the Federal Surplus Commodities

Corporation shall be made pursuant to the provisions of exhibit E hereof pertaining to such sales. The applicant at all times shall protect the Corporation's rights and powers with respect to the collateral.

(5) The Corporation may apply, in its discretion, any part of any payment, in whole or in part, to any part of the indebtedness, principal, or interest.

(6) This application, along with any amendments or supplements hereafter made, together with all conditions imposed by and all agreements required by or entered into, with or for the benefit of the Corporation in connection with the making of the loan hereunder and the note or notes evidencing such loan (all of which are incorporated herein and made a part hereof), shall constitute a contract between the applicant and the Corporation. Such contract shall inure to the benefit of the successors and assigns of the Corporation, but shall not inure to the benefit of the successors or assigns of the applicant without the written consent of the Corporation. Such contract shall become binding upon the parties thereto only when all or any part of the loan applied for is paid to the applicant by check or draft, or is unconditionally credited to the applicant, or is advanced for the applicant's account, and only to the extent of the amount so paid, or credited, or advanced. The validity, interpretation, legal effect, and performance of such contract shall be governed by the law of the place of payment of the note.

(7) The charter, bylaws, and other regulations of the applicant and the laws governing its operation permit and authorize the applicant (a) to incur the indebtedness in the manner and in the amount herein contemplated and in the total amount which the applicant will have outstanding upon the granting of the loan herein applied for; and (b) to secure such indebtedness by collateral in the amount and of the value contemplated by this application.

ARTICLES OF INCORPORATION

of the

DAIRY PRODUCTS MARKETING ASSOCIATION, INC.

--

I

The name of the corporation is Dairy Products Marketing Association, Inc.

II

The principal office or place of business of this Association in the State of Delaware is to be located at No. 100 West Tenth Street in the City of Wilmington, New Castle County. The name and address of its resident agent is The Corporation Trust Company, 100 West Tenth Street, Wilmington, Delaware.

III

The nature of the business and objects or purposes to be transacted, promoted or carried on by this Association are:

(a) To purchase, store, handle, process and sell milk and other dairy products and to engage in any activity in connection with the marketing, selling, or distribution of milk and other dairy products and by-products, and in the financing of any of such enumerated activities or any one or more of them;

(b) To carry on any or all of its operations and business and without restriction or limit as to amount, to purchase or otherwise acquire, hold, own, mortgage, sell, convey, or otherwise dispose of real and personal property of every class, nature, or description in any of the States, Districts, Territories, or Colonies of the United States, or in any and all foreign countries, subject to the laws of such State, District, Territory, Colony or Country;

(c) To cooperate with any private, public or governmental agency or agencies;

(d) In general, to carry on any and all other business necessary or convenient to the attainment of the foregoing objects or purposes, and to have and exercise all the powers and privileges conferred by the General Corporation Laws of Delaware upon corporations not organized for profit and having no capital stock;

(e) To enter into and encourage farmers, dairymen and others to enter into marketing plans and agreements and to cooperate in any plan which provides for improving prices paid to farmers or associations of farmers for milk and other dairy products;

(f) To engage in any activity with or involving the production, carrying, shipping, storing, exporting, warehousing, handling, preparing, manufacturing, processing, and marketing of milk and dairy products and any by-products thereof;

(g) To borrow money and to draw, make, accept, endorse, warrant, guarantee, transfer, assign, execute, and issue bonds, debentures, mortgages, promissory notes, bills of exchange, acceptances, warrants, and all kinds of obligations and non-negotiable, negotiable or transferable instruments without limit as to amount, and for the security of any of its obligations to convey, transfer, assign, deliver, mortgage, and pledge all or any part of its property or assets upon such terms and conditions as the Board of Directors shall authorize;

(h) Without limiting the generality of the foregoing, to borrow money for the purpose of (1) purchasing, storing, handling and processing of milk and other dairy products or by-products, and (2) disposing of or removing the same through orderly marketing in the United States and elsewhere;

(i) To loan money, to buy, discount, sell, re-discount or otherwise deal in notes, acceptances, warehouse receipts, pledges, bills of lading, freight receipts, trust receipts, open accounts, mortgages and other similar evidences of debt, or to loan money and to take notes, acceptances, warehouse receipts, pledges, bills of lading, freight receipts, trust receipts, open accounts, mortgages and other evidences of debt as collateral security therefor;

(j) To take and hold for any of its purposes, by bequest, devise, gift, purchase, lease or otherwise, either absolutely or in trust, any property, real or personal, in the District of Columbia, any of the States, Territories or Colonies of the United States and in foreign countries; without limitation as to amount or value; to own, operate, manage, lease, mortgage, pledge, sell, assign, and transfer or otherwise dispose of and exercise all privileges of ownership over such property;

(k) To guarantee, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of shares of the capital stock of, or any bonds, securities or evidences of indebtedness created by any other corporation or corporations organized under the laws of this State or any State, Country, Nation or Government, and while the owner thereof to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon.

(l) To create and abolish reserves, and to deal with and expand its income and principal within or without the State of Delaware, in such manner as, in the judgment of its Directors, will best promote its objects and purposes, Provided, however, That no income, profits, reserve, or any part thereof shall be distributed to any of the members by way of dividends, gifts, bonuses, or otherwise, but any such distribution shall be paid into the Treasury of the United States Government for such uses and purposes as may be provided by statute or, as in the judgment of its Directors will best promote the objects and purposes of this corporation, shall be turned over to the Federal Surplus Commodities Corporation or to the Secretary of Agriculture or his successors or assignees in the form of milk or other dairy products or by-products;

(m) To enter into, make, perform, and carry out contracts of every kind and description which, directly or indirectly, relate to milk, and other dairy products or by-products or the handling or marketing thereof, without limitation as to amount, with any person, firm, association, corporation, municipality, county, state, body, politic, territory or government or colony or dependency thereof;

(n) Without limiting the generality of the foregoing, to enter into any contract with the Secretary of Agriculture of the United States, The Reconstruction Finance Corporation, The Farm Credit Administration, The Commodity Credit Corporation, Federal Surplus Commodities Corporation, or any other governmental agency or governmental officer to carry out the purposes of this Association.

(o) To sell, deal in, store, handle, process, transport, deliver, exchange and purchase or accept delivery of milk and other dairy products or by-products thereof, and to make contracts for the purchase, delivery or sale thereof by itself or through subsidiaries or other agencies or to act as agent, broker, shipper, consignee, consignor, trustee or factor with respect thereto and as such agent, broker, shipper, consignee, consignor, trustee or factor, to buy, sell, deal in, hypothecate, pledge, mortgage, store, handle, process, transport, manufacture, deliver, or accept delivery of the aforesaid commodities and by-products thereof, and to make contracts for the purchase or sale of the same on behalf of the owner thereof, and to fix and collect and deduct all charges for such services.

(p) To have one or more offices to carry on all or any of its operations and business, without restriction or limit as to amounts, in any of the States, Districts, Territories and Colonies of the United States and in any or all foreign countries;

(q) The foregoing clauses shall be construed both as objects and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

IV.

This corporation is a membership corporation, not organized for profit, and shall not have authority to issue capital stock. The conditions of membership of this corporation are that only bona fide producer-owned and producer-controlled regional cooperative marketing associations (as defined in the Farm Credit Act of 1933) engaged principally in buying, selling, or otherwise handling manufactured dairy products, shall be members. Each organization admitted to membership shall pay into the treasury of the corporation a membership fee of \$50.00.

V.

The names and places of residence of each of the original incorporators of this corporation are:

<u>NAME</u>	<u>RESIDENCE</u>
L. E. GRAY	WILMINGTON, DELAWARE
WALTER LENZ	WILMINGTON, DELAWARE
W. T. CUNNINGHAM	WILMINGTON, DELAWARE

VI

This Association is to have perpetual existence.

VII

The members of this Association shall not be subject to the payment of association debts to any extent whatever.

VIII

The business of this Association shall be managed by a Board of Directors, which shall not be less than eight nor more than twelve, seven of whom shall be officers or employees in one or more of the cooperatives which are members of this Association. The term of office of each of the directors shall be fixed by the by-laws of the Association.

In addition to the powers conferred upon the Board of Directors by the statutes of the State of Delaware, the Board of Directors shall have such powers as the by-laws of the Association may from time to time confer upon them, and the following powers:

- (a) To make, alter and amend the by-laws of the Association;
- (b) To conduct, manage and control affairs and business of the Association;
- (c) To make rules and regulations for the guidance of the officers and management of the affairs between members;
- (d) To appoint and remove at pleasure all officers, agents and employees of the Association;
- (e) To prescribe such officers', agents', and employees' duties, fix their compensation and require from them, if advisable, bonds for faithful performance of their service;
- (f) To call special meetings of the members when the board deems it necessary;
- (g) To carry out all the purposes of the Association;

(h) To designate by resolution or resolutions passed by a majority of the whole Board, one or more committees, each committee to consist of two or more Directors of the Association, which to the extent provided in said resolution or resolutions or in the by-laws shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association, and may have power to authorize the seal of the Association to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the by-laws of the Association or as may be determined from time to time by resolution adopted by the Board of Directors.

One-third of the directors in office at any time shall constitute a quorum for the transaction of business, unless the by-laws of the Association shall provide that a definite number shall constitute a quorum.

The voting powers of all members of the Association shall be equal. Each member shall be entitled to one vote on any and all questions coming before the members. Any member entitled to vote at any meeting of the members may be represented and vote by proxy. All action taken by the members of the Association shall be by the majority vote.

A Certificate of Membership shall be issued to each member. No membership or certificate of membership shall be transferable and no assignee or transferee thereof, whether by operation of law or otherwise, shall be entitled to membership in this Association or to any property, rights or interest therein.

All of the books, records, papers, vouchers, and documents of this Association shall, at all reasonable times, be open to the inspection of each member of the Association or to its duly constituted agent or representative.

The members and Board of Directors of this Association may hold their meetings, and have an office or offices, outside the State of Delaware, and keep the books of this Association (subject to the provisions of the statutes of Delaware) outside the State of Delaware at such place or places as may be from time to time designated by the members of the Association.

In the event of dissolution of this association, the directors of such Association shall continue to serve for the purpose of winding up and closing out the affairs of the Association. Said directors shall cause all of the assets of the Association other than money, to be sold in such manner and in such time or times as the members of the Association shall deem best to promote the public welfare, and shall dispose of the proceeds of such sale or sales, together with all other moneys, after the payment of the Association's debts and expenses as provided in paragraph (L) of Article III hereof.

IX

The Association reserves the right, by and through its Board of Directors, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter provided

by statutes and all rights conferred upon the members of the Association are granted subject to this reservation, with the exception, however, that no such amendment, alteration, change or repeal shall be made which would so change the objects and purposes as to permit the net income of the corporation, or any part thereof, to inure to the benefit of any private individual or member of the Association.

We, the undersigned, being each of the original incorporators hereinbefore named, for the purpose of forming a corporation to carry on its activities, both within and without the State of Delaware, and in pursuance of the General Corporation Law of the State of Delaware and the Acts amendatory thereof and supplemental thereto, do make and file this certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this 7th day of May A.D. 1938.

L. E. Gray (SEAL)

In the presence of

Walter Lenz (SEAL)

Harold E. Grantland

W. T. Cunningham (SEAL)

STATE OF DELAWARE)
) SS:
COUNTY OF NEW CASTLE)

BE IT REMEMBERED, That on this 7th Day of May A. D. 1938, personally came before me Harold E. Grantland, a Notary Public for the State of Delaware, L. E. Gray, Walter Lenz and W. T. Cunningham all of the parties to the foregoing certificate of incorporation, known to me personally to be such, and severally acknowledged the said certificate to be the act and deed of the signers respectively and that the facts therein stated are truly set forth.

GIVEN under my hand and seal of office the day and year aforesaid.

Harold E. Grantland
Notary Public

Harold E. Grantland
Notary Public
Appointed Jan. 11, 1937
State of Delaware
Term Two Years

BY-LAWS
OF
DAIRY PRODUCTS MARKETING ASSOCIATION, INC.

-oo00oo-

ARTICLE I - Offices

Section 1. The statutory office of the Corporation in the State of Delaware shall be in the City of Wilmington, County of Newcastle, State of Delaware, and the name of the resident agent in charge thereof is The Corporation Trust Company.

Section 2. The Corporation will have a principal place of business in the City of Chicago, State of Illinois, and also offices at such other places as the Board of Directors may from time to time appoint or the business of the Corporation may require.

ARTICLE II - Member Meetings

Section 1. All meetings of the members for the election of the Directors shall be held at the office of the Corporation in Chicago, Illinois, or such other place as shall be designated by the Board of Directors. Notice of the place so selected shall be given all members at least thirty (30) days prior thereto. Special meetings of members for any other purpose may be held at such place and time as shall be stated in the notice of the meeting.

Section 2. An annual meeting of the members after the year 1938 shall be held on the fifteenth day of February in each year if not a legal holiday, and if a legal holiday then on the next secular day following at 10:00 o'clock A.M. for the purpose of electing Directors and transacting such other business as may be brought before the meeting.

Section 3. A majority of the members shall constitute a quorum at all meetings of the members for the transaction of business except as otherwise provided by statute, by the certificate of incorporation, or by these by-laws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present or by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present. At such adjourned meeting, if a quorum be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 4. At any meeting of the members any member having a right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such member and bearing a date not more than one year prior to said meeting, unless said instrument provides for a longer date. Each member shall have one vote.

Section 5. Written notice of the annual meeting shall be mailed to each member entitled to vote thereat at the last known address, at least thirty (30) days prior to the meeting. Failure to give notice of any annual meeting or any irregularity in such notice shall not affect the validity of any annual meeting or any proceeding at such meeting.

Section 6. A complete list of all members entitled to vote at the annual meeting and at all special or called meetings of the members shall be prepared and maintained by the Secretary and filed in the principal place of business in the City of Chicago, State of Illinois, and shall at all times during the usual hours of business be open to the examination of any member.

Section 7. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of a majority of the members entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 8. Written notice of the special meeting of the members stating the time and place and object thereof shall be mailed at least five days before such meeting to each member entitled to vote, at such address as appears on the books of the corporation.

ARTICLE III - Directors

Section 1. The corporate powers, business, and property of the corporation shall be managed and controlled by a Board of Directors, consisting of not less than eight nor more than twelve members, seven of whom shall be officers or employees in one or more of the cooperatives which are members of the Corporation. Directors shall be elected at the annual meeting of the members and each Director shall be elected to serve for a period of one year and until his successor shall be elected and shall qualify.

Section 2. Any Director may resign at any time by delivering his resignation in writing to the corporation and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

Section 3. When a vacancy on the Board of Directors occurs other than by the expiration of a term, a majority of the members of the Board present and voting shall fill such vacancy until the expiration of the term.

Section 4. The Directors may hold their meetings and keep the books of the corporation outside of Delaware at the office of the corporation in the City of Chicago, Illinois, or at such other places as they may from time to time determine.

Section 5. The Board of Directors may exercise all such powers conferred by statute, the certificate of incorporation and by these by-laws, including the power to amend these by-laws, and may exercise all such powers

of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the members or officers.

Section 6. Directors as such shall not receive any salary for their services but they may be reimbursed for expenses of attendance at such special or regular meetings of the Board; provided that nothing herein shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor.

Section 7. To designate by resolution or resolutions passed by a majority of the whole Board, one or more committees, each committee to consist of two or more Directors of the Association, which to the extent provided in said resolution or resolutions or in the by-laws shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association, and may have power to authorize the seal of the Association to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the by-laws of the Association or as may be determined from time to time by resolution adopted by the Board of Directors.

ARTICLE IV - Meetings of the Board

Section 1. The first meeting of each newly elected Board shall be held at such time and place either within or without the State of Delaware as shall be fixed by a vote of the members at the election of Directors and no notice of such meeting shall be necessary to the newly elected Directors in order to constitute the meeting. One-third of the Board shall constitute a quorum, and if a quorum be not present at any meeting such members may adjourn from time to time at such place and time as shall be fixed by those members present.

Section 2. Regular meetings of the Board may be held without notice at such time or place either within or without the State of Delaware as shall from time to time be determined by the Board.

Section 3. At all meetings of the Board, one-third of the Directors shall constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors except as may otherwise be specifically provided by statute, a certificate of incorporation, or by these by-laws.

ARTICLE V - Officers

Section 1. The officers of the corporation shall be a President, Vice President, Secretary and Treasurer. The office of the Vice President or the office of the Secretary may be combined with the office of the Treasurer. The Board of Directors may designate such assistant officers and other administrative officers as it sees fit.

Section 2. The compensation and tenure of all employees shall be fixed by the Board of Directors.

Section 3. Officers of the corporation, other than the President, need not be members of the Board of Directors, nor in any manner connected with any of the cooperative members.

ARTICLE VI - President

Section 1. If at any time the President shall be unable to act, the Vice President shall take his place and perform his duties; and if no Vice President is able to act, the Board of Directors shall select a Director to do so. The President, such Vice President, or Director shall:

- (a) Preside over all meetings of members and directors
- (b) Subject to the advice of the Directors, direct the affairs of the Association.
- (c) Call the Directors together whenever necessary.
- (d) Sign, as President, all certificates of membership and all contracts, notes, and other instruments when so directed by the Board of Directors.
- (e) Discharge such other duties as may be required of him by these by-laws or by the Board of Directors.

ARTICLE VII - Secretary and Treasurer

Section 1. It shall be the duty of the Secretary:

- (a) To keep a correct record of the proceedings of the meetings of the Board of Directors and of members.
- (b) To keep the corporate seal and book of blank membership certificates, and countersign all certificates issued and affix the corporate seal to all papers requiring a seal.
- (c) To keep a proper membership book, showing the name of each member of the Association, the number of his membership, and date of issuance, surrender, cancellation, or forfeiture of his membership certificate.
- (d) To execute and sign contracts, notes, papers and documents as authorized by the Board of Directors.
- (e) To discharge such other duties as pertain to his office or may be prescribed by the Board of Directors.
- (f) To act as Secretary at the annual and called meetings of the membership.
- (g) To collect all moneys belonging to the Association, transmit them to the Treasurer, taking his receipt therefore.
- (h) To furnish a bond in such form and in such amount as the Board of Directors may from time to time require.

Section 2. It shall be the duty of the Treasurer:

- (a) To receive all moneys from the hands of the Secretary, issue his receipt for same, deposit in such bank or banks as the Board of Directors may direct, and pay same out as directed by the Board of Directors.
- (b) To furnish a bond in such form and in such amounts as the Board of Directors may, from time to time, require.
- (c) To keep such books covering the financial affairs of the Association as will at all times accurately portray the financial condition of the Association.

Article 10. It shall be the duty of the Government

- (a) To maintain the peace and order in the country.
- (b) To maintain the unity and integrity of the country.
- (c) To maintain the independence of the country.
- (d) To maintain the sovereignty of the country.
- (e) To maintain the territorial integrity of the country.
- (f) To maintain the political independence of the country.
- (g) To maintain the economic independence of the country.
- (h) To maintain the cultural independence of the country.
- (i) To maintain the religious independence of the country.
- (j) To maintain the linguistic independence of the country.
- (k) To maintain the racial independence of the country.
- (l) To maintain the tribal independence of the country.
- (m) To maintain the caste independence of the country.
- (n) To maintain the class independence of the country.
- (o) To maintain the occupational independence of the country.
- (p) To maintain the regional independence of the country.
- (q) To maintain the local independence of the country.
- (r) To maintain the personal independence of the country.
- (s) To maintain the family independence of the country.
- (t) To maintain the social independence of the country.
- (u) To maintain the national independence of the country.
- (v) To maintain the international independence of the country.
- (w) To maintain the universal independence of the country.
- (x) To maintain the cosmic independence of the country.
- (y) To maintain the divine independence of the country.
- (z) To maintain the eternal independence of the country.